

MEMORANDUM ON LAND TENURE

PREPARED BY
THE AUSTRALIAN SCHOOL OF SOCIAL SCIENCE

In every country the most important political institution is the law governing the tenure of land. There must be some system under which the land is held, and the real question before every community is: How can justice and equality of opportunity be secured for every citizen—how can every person be effectively put into the enjoyment of an equal right to land?

The fundamental importance of land tenure to the whole of society is well stated by Henry George in the following words:

"It is not in the relations of capital and labour, it is not in the pressure of population against subsistence, that an explanation of the unequal development of our civilisation is to be found. The great cause of inequality in the distribution of wealth is inequality in the ownership of land. The ownership of land is the great fundamental fact which ultimately determines the social, the political, and consequently the intellectual and moral condition of a people. And it must be so. For land is the habitation of man, the storehouse upon which he must draw for all his needs, the material to which his labour must be applied for the supply of all his desires; for even the products of the sea cannot be taken, the light of the sun enjoyed, or any of the forces of nature utilised, without the use of land or its products. On the land we are born, from it we live, to it we return again—children of the soil as truly as is the blade of grass or the flower of the field. Take away from man all that belongs to land, and he is but a disembodied spirit. Material progress cannot rid us of our dependence upon land; it can but add to the power of producing wealth from land; and hence, when land is monopolised, it might go on to infinity without increasing wages or improving the condition of those who have but their labour. It can but add to the value of land and the power which its possession gives. Everywhere, in all times, among all peoples, the possession of land is the basis of aristocracy, the foundation of great fortunes, the source of power. As said the Brahmins ages ago—'To whomsoever the soil at any time belongs, to him belong the fruits of it. White parasols and elephants mad with pride are the flowers of a grant of land'."

In the light of the truths expressed in this quotation, the experience of Australia is very enlightening. Our failure to achieve justice in land tenure may well prove a warning and a lesson to other countries. On the other hand our small degree of wisdom (perhaps in advance of other countries in this respect) has undoubtedly produced beneficial results for the whole of our people, from which example other countries might well profit.

The land of Australia, in theory, belongs to the King alone, and those who hold it from the King hold it by estates only and not as owners, the highest estate known being the estate in fee simple. This theory of land tenure was especially developed in England under feudalism, from which we inherit it, but it is substantially the same in all countries. In Australia the doctrine that the King is the sole owner of land was challenged in the Courts (Attorney General v. Brown, 2 S.C.R. (NSW) App. 30), but the challenge failed.

This basic law of the communal ownership of land is both logical and beneficial, but great mischiefs arise from breaches of that law and from legal enactments which contravene it.

From the very earliest times in England the Crown assumed the right to make grants of land to persons chosen by the Crown. At first the grants were made on condition that appropriate services be rendered to the Crown by the land-holders, which amounted to a rent, and the Crown was acknowledged as the owner from whom the land was held. But after long struggles between the land-holders and the Crown the former eventually succeeded in throwing off the obligations attached to their land-holdings and virtually became absolute owners. The overlordship of the Crown is still acknowledged in theory, and the ceremony between the King and the land-owners (both spiritual and temporal) at the Coronation service still re-enacts from time to time the original relationship. But for almost all practical purposes the land-holders now own the land, and pocket the rent and other advantages. The people of England have consequently become divided into two classes, the haves and have-nots, the rich and the poor, the workers and those who live without toil. This great fact has virtually determined the history of England for centuries.

LAND TENURE IN AUSTRALIA

OR

THE GROWTH OF LAND MONOPOLY IN AUSTRALIA (a) SYSTEM OF FREE GRANTS

After the colonisation of Australia (1788) the Crown made grants of large tracts of land to individuals who received it and held it as in England. In the early days no provision was made, except for unimportant quit-rents, for the Crown to receive any of the future rent of the land granted out. From the very start preference in land-grants went to officials, retired service officers and other highly accredited persons. The Free Grants system prevailed until 1831 and tied up the pick of our best lands (especially in and near Sydney) in the hands of a few. In 1831 Governor Darling discontinued the Free Grants system, and a minimum price of five shillings an acre for land within the settled area was fixed by law.

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(b) OTHER FACTORS IN THE GROWTH OF MONOPOLY
(Prior To 1838)

1. Lack of detailed surveys prevented small land seekers from finding the land they wanted.
2. The survey maps showing only the natural advantages, watercourses, mountain ranges, valleys, etc. assisted the large graziers to spot out and monopolise perhaps 200,000 acres, the pick of a whole watershed.
3. 'Squatters' spread into the interior and settled on Crown lands and, with no survey to control the settlement, took the lot. In 1847 the squatters got a title to their land--'fixity of tenure'--from the British Government.

At the end of 50 years of colonisation the population of Australia was about 200,000, of whom less than 3,000 families were on the land.

(c) THE WAKEFIELD SCHEME (1838-1846)

The theories and policy of Edward Gibbon Wakefield (particularly in South Australia) marked the high-water mark of the English 'landed gentry' policy under which the two classes of society in England became largely reproduced in Australia. Free immigration (a supply of labour) was encouraged, but in 1842 the price of land was raised from 5/- an acre to 20/- an acre, a price which the immigrants could not pay. Prospective farm holders were therefore forced to offer their labour to the land monopolists.

AUSTRALIA IN DISTRESS

From 1855 the Australian colonies were administered by elective Parliaments but the franchise was limited according to property qualifications. The privileged interest had all the say in Parliament, and with the continued increase in population the following critical conditions existed:

- * Large station-holders employed little labour.
- * The interior lands were held idle and blocked against settlement.
- * The majority of the population stayed congested in the main cities and towns, more or less unemployed or dependent on government billets and public works.

Thus early in our own history from the two factors 'land monopoly' and 'unemployment' the three Eastern Colonies had become 'Squatter-Labour States'!

AUSTRALIAN EXPERIMENTS A FAILURE

Free Selection (1861-1891)

In 1861 the NSW Parliament, faced with violent agitation for land, passed an Act (Robertson's Act) known as 'Selection Before Survey' (more properly 'Selection Without Survey'). Selectors were free to take land anywhere, even in the squatters' home paddocks, but the same government also granted to the squatters every protective tenure that could forestall and hinder the selector, and with the aid of 'dummy' selectors and 'buying out the eyes of a run' frustrated the intentions of the Act.

Results After 22 Years of Free Selection

- * Two-thirds proved a failure or 'dummies'.
 - * Large estates grew larger.
 - * Of 200,000 applicants 21,135 became established land-holders in their own right.
 - * Over a period of 30 years (1861-1891) the Crown alienated 50 million acres, but the area under cultivation increased by only 600,000 acres.
- The last condition was worse than the first.

Closer Settlement Policy

In 1891 came the period of Closer Settlement Policy. This can be summed up as a spate of legislation designed to promote closer settlement, defects, amendments, defects, re-amendments, futile middle, consolidation, amendment, and so on. Mr H Heaton, MA, M Comm. (former lecturer in Economics, Adelaide University), in *'Australia: Economic and Political Stories'*, Chapter 9, described our land story: "The story of our land legislation is bewildering chaos and no-one has yet had the courage to attempt an adequate study of the tangle of legislative and administrative antics, the battle of wits between laws and individuals, and the clash between government intentions and economic forces, which make up the history of Land Tenure in all the six States."

The result of all this legislative effort from 1861-1923 was that 241,924 new farms had been taken up and confirmed under various 'closer settlement' schemes but that in 1923 the total of rural holdings was only 78,994. That is to say, nearly 163,000 farms disappeared and went back into big estates. Thus all the legislation only served to provide a grant to land-monopolists and a burden to primary producers.

THE GENERAL EFFECT OF OUR EXPERIMENTS

Notwithstanding all our efforts to achieve 'closer settlement' there is still to-day in Australia a property-less proletariat, working on the basic wage, without any security of employment and the easy victims of depression and poverty. Though not so desperately poor as their landless counterparts in many other countries where the rights of the land-owning class are practically unlimited, their poverty and lack of security are a national menace and an international warning.

As will be shown later, Australian conditions are better than those in many other parts of the world, but our futile legislative experiments and our preservation of legal privilege in land-owning have afflicted us with a serious degree of land-hunger and poverty. Under such conditions Communism is bound to make a strong appeal. The rise of Communism has been most striking where land-hunger and the evils of land-monopoly have manifested themselves most strongly.

WHAT IS THE RIGHT POLICY?

We submit that our experience has shown, and a study of scientific principles has confirmed, that:

- * It is no use to Give Land Away.
 - * It is no use to Take It Back.
 - * It is no use Buying It Back to give away again.
- What then is the wise policy? To Give It Away Conditionally, the only condition being that the full ground rental be reserved to the Crown.

Great benefits will accrue to the people if this policy is adopted by introducing the following land tenure laws:

- * All land-owners to be left in possession of their holdings without interference or direction.
- * All land-owners to be required to pay to the Government the rent properly payable for their lands, excluding all improvements. The rent to be calculated by reference to the rent being paid to the owners by the tenants for those lands or for similar lands, and to be apportioned amongst any local governing bodies in lieu of taxation which is to be reduced to the vanishing point as soon as possible.
- * The rent to be re-appraised periodically.
- * Taxation to be reduced as far as the amount of rent collected and all the circumstances permit. It will be found possible, under the changed circumstances, to reduce it to the vanishing point.
- * The same land-revenue system to be used for all government, both national and local.

The advantages of such laws could scarcely be over-emphasised. They could be summarised as follows:

1. Land-rent is not a burden on production, while taxes are essentially a burden. Production is discouraged, and sometimes stopped altogether by taxation.
2. An adequate revenue for the government is provided without hindering production or producing friction or discontent.
3. Land-rent is more easily and cheaply collected than taxes. It cannot be evaded or passed on.
4. The payment of land-rent bears equitably and justly on the whole population.
5. It will not be profitable to hold land out of use.
6. The orgy of land-speculation and consequential depression is avoided.
7. The justice of the laws is obvious to all who analyse them, and justice is the most important consideration of all.

These proposals have been endorsed by many eminent authorities, and are worthy of the most careful and urgent attention. They will have a very strong bearing on poverty, unemployment and war, the three scourges of the modern State. Any government which adopts them will prove itself statesmanlike in the highest degree, and will earn the undying gratitude not only of its own people but also of the peoples of all other countries of the world.

GOOD GOVERNMENT

PARTIAL APPLICATION OF THE PROPOSALS IN AUSTRALIA

Although we are not satisfied with our present land tenure laws, the following beneficial conditions exist in Australia, which are to some extent in accordance with the proposals we have set out:

1. The Crown has retained from alienation certain important natural resources, such as fisheries, minerals and deposits.
2. 'Miner's Right' enables any person to have access to land for mining, subject to compensating the owner for improvements.
3. In New South Wales and Queensland the whole revenue of all cities, municipalities and shires is derived from rating on unimproved land values only, this being in effect a system of land-holders paying rent for local purposes in respect of the land which they hold. No rates are payable for buildings or improvements.

This rating system is extremely important, and has had most beneficial results. To a considerable extent other States and other countries have adopted it from us, and in England over 600 Councils have petitioned Parliament to permit them to adopt it.

4. The whole of the Australian Capital Territory (Canberra) is held by perpetual lease under which the owners pay a land-rent to the Crown, disregarding improvements, the rent being re-appraised every twenty years. This area is small and does not contain any of our largest cities, but the system is highly successful. How it works is shown by a letter written by Mr Allen Fraser, MP, in reply to M. Toubeau of France (published in 'The Standard', Sydney, June 1951) which reads as follows:

"Yes, the land tenure system in the Australian Capital Territory is most successful. Public opinion is overwhelmingly in favour of it. In fact, in 20 years' residence here I have not heard a voice against it. It is accepted as a matter of course and since it has no disabilities in practice none concerns himself about it. Obvious advantages include that land is not held out of use by private owners seeking private profit on it. The development of the city can therefore be orderly with each piece of land put to its appropriate use.

If I wish to build a house I am spared the need to find some hundreds of pounds to buy the land. All I have to do is to be ready to pay the annual rental (on my own block this is about 12 Pounds a year). I choose the block I want, but before I can get it there must first be a public advertisement that it is available, stating its annual value and inviting applications for it. The applicant offering the largest bonus over the annual value gets the block. He has it then on a 99-years lease, subject to periodic appraisal of the rental value, and he finds that he is just as free to use his block, to build on it, and to sell buildings on it, as if it were freehold land. He also has the satisfaction of knowing that the annual rent he pays goes into the community

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treasury instead of into the pocket of a private 'owner'."

When it is realized that the fairly substantial land-rent derived by Federal and State and local governments in Australia is a corresponding relief from taxation of labour and the products of labour it will be appreciated that there is a strong connection between our relatively high standard of living and the beneficial types of land tenure previously set out. The public receives some part of the great land-rent fund which justly belongs to the public, and to that extent the public is relieved from taxation.

Nevertheless, private land-ownership is still the prevailing system in Australia, although somewhat modified. The amount of land-rent paid into the public Treasury is not great enough to enable taxation to be abolished, and in fact our taxation is very high and oppressive. We therefore still have slums and unemployment and all the inevitable results of an unjust system of land-tenure. The great proposal for the abolition of landlordism by the community receiving the rent as its public revenue would apply, of course, even more in cities and towns than in country areas. In fact it is in the cities and towns that the great bulk of land-rent is paid. The pressing social problems are most potent in great cities, and only when the rent of land is made common property and taxation abolished can our slums be abolished, our glaring contrasts of wealth and poverty be equalised and social health be restored.

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A SPECIAL BULLETIN FROM CHICAGO

Two months in advance isn't even enough time to allow, considering mail speed between United States and Australia, and plans aren't even jelled. Singlehandedly 'we're' trying to promote a HENRY GEORGE DAY RALLY at Richard J Daley Civic Center Plaza in downtown Chicago, an outdoor event open to passersby, Saturday, September 2.

Free Enterprise Association will then be ten years old, originated by George Tideman for a one shot attempt to urge all state legislators to introduce his proposed land value taxation Constitutional amendment. He was pleased that I wanted to use the name for my unsuccessful attempts at holding Henry George Day banquets. However, I keep picking myself off the floor for further tries, several attempts to interest new legislators each fall season. Unfortunately, many endeavors like Free Enterprise Association are one-man jobs with very little cooperation. One gets criticized for saying either 'I' or 'we'; the singular is more honest; the plural is egotistical.

This writer has tried to contact several prominent Chicagoans to allow use of their names as 'honorary chairmen', several Georgists to speak, a music school to furnish students to

play for experience, an art school to make a Progress & Poverty Commemorative postage stamp project, will attempt to borrow a bullhorn in lieu of a costly public address system, will also try to circulate LVT petitions during the Rally.

The Georgists' LEAF (Land Equality and Freedom) apparently were rejected by California in an editorial conspiracy to present only the hate propaganda in favor of Proposition 13 to cut 'property tax' to one percent of 'market value', a great gift to landholders. Only one syndicated columnist, Nicholas Von Hoffman, criticized the amendment and lamented that nobody opposed it. I found a Communist Daily World June 29 with three articles condemning the amendment for causing welfare cutbacks by local government, correctly stating that it is a windfall for landholders, with no reduction to renters, and predicting increased sales and income tax (which we've said right along, because state and federal governments will have to help pay fire, police and school salaries, take over welfare services) and criticizing newspapers for fomenting what was falsely labeled 'a taxpayers' revolt'.

This is the reason LVT petitions must be circulated at our Henry George Day Rally. Immediately after the June 6 election in California hate groups collected thousands of signatures in Chicago and more thousands in other cities coast to coast to cripple local realty tax, to foment tax strikes. Backed with ample funds, they're contacting all legislators, possibly bribing to get them to introduce outright abolition of realty tax or to make it impotent, and get all the radio and TV publicity they can use.

'We' have asked media publicity two months in advance, don't know how much 'we' will get, and may have to fight for it, or take under advisement a class action suit for damages resulting from a conspiracy of silence.

In the wake of 1964 Civil Rights legislation came 'affirmative action' whereby employers were ordered to hire by percentages whether or not applicants are at all qualified. A recent Supreme Court decision in favor of Allen Bakke, a white, rejected entrance to a medical school and now winning entrance, and a Chicago Police class action of several years (promoting minorities who scored much lower than a large group of whites) are very upsetting to Daily World. How we struggle and fight over effects instead of correcting the cause! Equality of job and home opportunity can be ours through land value taxation. We need no quota, demonstration or conspiracy to take over a community, industry or union. If right to use of our land is granted, there will be job opportunity for all. That is the message we'll try to impress on pedestrians listening in on our Henry George Day Rally.

After the event I'll get back to you with an evaluation

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